

MINNESOTA Department of Revenue

Sales & Use Tax Division

Mail Station 6330
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February 8, 1999

U. S. General Services Administration
Federal Supply Service
1941 Jefferson Davis Highway
Arlington, VA 22202-4502

Attention: Rebecca A. Koses, Contracting Officer
Services Acquisition Center

Dear Ms. Koses:

Thank you for your letter dated December 10, 1998. All of the credit cards that are centrally billed (billed directly to and paid for directly by the federal government) are recognized as tax exempt in Minnesota. The cards that are billed directly to the employee, who is later reimbursed by the federal government, are subject to sales tax. I've listed the specific cards, and their taxability, below.

Travel Cards - VISA, prefix 4486 or 4716; MasterCard, prefix 5568. The sixth digit of these cards determines whether or not to charge sales tax.

If the sixth digit is 1, 2, 3, or 4, purchases using these cards are billed directly to the federal employee, who is reimbursed by the federal government. Purchases made using these cards are taxable.

If the sixth digit is 0, 6, 7, 8, or 9, purchases using these cards are billed directly to and paid for directly by the federal government. Purchases made using these cards are not taxable.

Fleet Cards - Voyager (VISA), prefix 8699; MasterCard, prefix 5568. Purchases using these cards are billed directly to and paid for directly by the federal government. Purchases made using these cards are not taxable.

Purchase Cards - VISA, prefix 4486 or 4716; MasterCard, prefix 5568. These cards are billed directly to and paid for directly by the federal government. Purchases made using these cards are not taxable.

Integrated Cards All Fleet and Purchase type transactions are billed directly to and paid for directly by the federal government and are not taxable.

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Travel transactions depend on the sixth digit of the card. If the sixth digit is 1, 2, 3, or 4, purchases using these cards are billed directly to the federal employee, who is reimbursed by the federal government and these transactions are taxable. If the sixth digit is 0, 6, 7, 8, or 9, purchases using these cards are billed directly to and paid for directly by the federal government and these transactions are not taxable.

It is not necessary for an exemption certificate to be used in Minnesota. The retailer's credit card records are adequate documentation to validate that the sale was to the federal government.

If you have any further questions, please feel free to contact me at 651-296-4757.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Gravelle", with a stylized, cursive script.

Anne Gravelle

Sales and Use Tax Specialist

Targeted Information Group

E-mail: anne.gravelle@state.mn.us

Note that this letter is based on the particular circumstances outlined in this letter and on the laws in effect at this time. Different circumstances, statutory changes, or subsequent court decisions could affect the information in this letter.

An equal opportunity employer

TDD: (651) 297-2196